



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Funding Highlights:

- The mission of the Department of Health and Human Services (HHS) is to protect and strengthen the health and well-being of Americans by fostering sustained advances in medicine, public health, and social services.
- The Budget continues to support the Administration's commitment to reforming the healthcare system and to reducing prescription drug prices. The Budget also invests in child care to support America's working families and promotes work among able-bodied adults receiving assistance.
- The Budget prevents waste, fraud, and abuse, ensuring sound stewardship of taxpayer dollars. Consistent with the President's Executive Order 13890, "Protecting and Improving Medicare for Our Nation's Seniors," the Budget aligns Medicare payments to providers with seniors' clinical needs and the cost of care rather than the site of care, and also includes other proposals to eliminate wasteful spending, preserve benefits and access to care, and enhance choice and competition.
- The 2021 Budget requests \$94.5 billion for HHS, a 10-percent decrease from the 2020 enacted level. The Budget proposes \$1.6 trillion in net mandatory health savings, reducing longer-term deficits by eliminating wasteful spending while preserving beneficiaries access to care, enhancing competition, and prioritizing Federal resources for the most vulnerable.

The President's 2021 Budget:

The Budget supports the mission of HHS while creating a streamlined Federal Government that promotes the most efficient and effective use of taxpayer dollars. The Budget invests in: combatting the opioid epidemic; supporting services for serious mental illness; ending the HIV epidemic in America; protecting and improving the Medicare program for seniors; and supporting pro-life principles.

Combats the Drug Abuse and Opioid Epidemic. While real progress has been made in the struggle against the drug abuse and opioid overdose epidemic, too many people are still suffering from opioid addiction; the Centers for Disease Control and Prevention (CDC) reports 67,367 drug overdose deaths in 2018. The Budget invests \$5 billion in HHS to combat the opioid epidemic, making critical investments in research, surveillance, prevention, treatment, access to overdose reversal drugs, and recovery support services. This funding includes \$1.6 billion, an \$85 million increase from the 2020 enacted level, for State Opioid Response grants, which support prevention, treatment,

and recovery support services. States are also given flexibility to use these funds to address the emerging drug issue, which is the increasing number of overdoses related to psychostimulants, including methamphetamines.

Helps Americans Suffering from Mental Illness. Americans with serious mental illness (SMI) face significant challenges getting the care they need. In 2018, 47.6 million adults had a mental illness, of whom 11.3 million suffered from SMI, meaning their mental illness substantially interfered with or limited major life activities. More than one out of every three individuals with SMI does not receive mental healthcare and those that receive care encounter a fragmented mental health system that is difficult to navigate. The Budget promotes methods of delivering care that improve outcomes for individuals with SMI. The Budget includes \$225 million for Certified Community Behavioral Health Clinics (CCBHC) expansion grants, and extends, through 2021, the CCBHC Medicaid demonstration programs to improve community mental health services for the eight States currently in the demonstration. These activities make it easier for individuals with mental illness and their families to navigate the healthcare system and get services that they need. In addition, the Budget includes \$125 million to help schools, community organizations, first responders, and other entities identify mental health issues and help affected youth and other individuals get the treatment they need.

Individuals with SMI are more likely to be homeless and have poorer health status than the general population. The Budget includes an additional \$25 million in HHS to expand primary healthcare services for the homeless in cities with high rates of unsheltered homelessness. In addition, some individuals with SMI need hospitalization, yet there are not always enough inpatient beds to serve them. Under current law, Medicaid cannot pay for certain inpatient stays at Institutions for Mental Diseases (IMDs). The Budget modifies the Medicaid IMD exclusion to provide targeted flexibility to States to provide inpatient mental health services to Medicaid beneficiaries with SMI, as part of a comprehensive strategy that includes improvements to community-based treatment.

Continues the Initiative to End the HIV Epidemic in America. The 2021 Budget includes \$716 million for the second year of the multiyear initiative to eliminate new HIV infections in America. Each year, there are approximately 40,000 new HIV infections in the United States, the majority clustered in a limited number of counties. The United States has the ability to end the epidemic, with the availability of effective biomedical interventions such as antiretroviral therapy and pre-exposure prophylaxis (PrEP). The Budget includes: \$371 million for CDC to reduce new HIV infections; \$302 million for Health Resources and Services Administration (HRSA) to deliver HIV care through the Ryan White HIV/AIDS Program and to supply testing, evaluation, prescription of PrEP, and associated medical costs through the Health Centers program; \$27 million to the Indian Health Service (IHS) to tackle the epidemic in American Indian and Alaska Native communities; and \$16 million for the National Institutes of Health (NIH) for evaluation activities to identify effective interventions to treat and prevent HIV.

Improves Maternal Health in America. Women in the United States have higher rates of maternal mortality and morbidity than in any other developed nation—and the rates are rising. The Budget provides \$74 million in new resources to address this significant public health problem by focusing on four strategic goals: 1) achieve healthy outcomes for all women of reproductive age by improving prevention and treatment; 2) achieve healthy pregnancies and births by prioritizing quality improvement; 3) achieve healthy futures by optimizing postpartum health; and 4) improve data and bolster research to inform future interventions.

Supports the President's Health Reform Vision. The Budget includes an allowance for the President's health reform vision. While Americans have the best healthcare options in the world, rising healthcare costs continue to be a top financial concern for many Americans. The President's

great healthcare vision will ensure better care at lower costs. Americans deserve affordable, personalized care that puts them in control and provides peace of mind. The President's healthcare reforms will protect the most vulnerable, especially those with pre-existing conditions, and provide the affordability, choice, and control Americans want, and the high-quality care that all Americans deserve.

The President's vision would build on efforts outlined in the Executive Order 13877, "Improving Price and Quality Transparency in American Healthcare To Put Patients First," to provide greater transparency of healthcare costs and enshrine the right of a patient to know the cost of care before it is delivered. It focuses on lowering the price of medicine, ending surprise medical bills, breaking down barriers to choice and competition, and reducing unnecessary regulatory burdens. The President's reforms will ensure healthcare is affordable and accessible for all Americans. Reforms will give Americans more control over healthcare choices and improve incentives for cost control. Reforms will also prioritize Federal resources for the most vulnerable and provide assistance for low-income individuals. Medicaid reform will restore balance, flexibility, integrity, and accountability to the State-Federal partnership. Medicaid spending will grow at a more sustainable rate by ending the financial bias that currently favors able-bodied working-age adults over the truly vulnerable.

"[W]e're creating a healthcare system that protects vulnerable patients, makes healthcare more affordable, gives you more choice and control, and delivers the high-quality care Americans deserve."

President Donald J. Trump
October 3, 2019

Ensures Federal Funds Protect Life and Conscience Rights. The Budget prioritizes the value of human life by ensuring that Federal funding does not support abortions. The Budget proposes to prohibit Federal funding, such as in the Title X Family Planning and Medicaid programs, for certain entities that provide abortion services. The Budget also protects conscience rights, prohibits coercion in healthcare, and allows private parties to enforce such rights in Federal court. With these protections, the Administration will continue to ensure robust protection of conscience rights and religious liberty.

Protects and Improves the Medicare Program. The Budget includes proposals to eliminate wasteful spending, preserve beneficiaries' access to care, and enhance choice and competition, consistent with Executive Order 13890. The Budget prioritizes use of the trust funds to pay for seniors' healthcare and incentivizes quality and efficiency in Medicare. The Budget proposes to align payments for post-acute care with patients' needs and the most clinically appropriate site of care, while expanding access to telehealth services. The Budget would extend the solvency of the Medicare program by at least 25 years for America's seniors.

Supports Drug Pricing and Payment Reforms. The 2021 Budget includes an allowance for bipartisan drug pricing proposals. The Administration supports legislative efforts to improve the Medicare Part D benefit by establishing an out-of-pocket maximum, improving incentives to contain costs, and reducing out-of-pocket expenses for seniors. The Administration also supports changes to bring lower-cost generic and biosimilar drugs to patients. These efforts would increase competition, reduce drug prices, and lower out-of-pocket costs for patients at the pharmacy counter.

Addresses Improper Payments in Medicare and Medicaid. In 2019, \$1 out of every \$15 spent in Medicare, and \$1 out of every \$7 spent in Medicaid, were considered an improper payment. Improper payments include intentional fraud and abuse, as well as unintentional payment errors, both of which are harmful to the integrity of the Federal Government and to taxpayers. The Budget includes proposals to reduce the monetary loss from improper payments and strengthen the integrity

and sustainability of the Medicare program. In addition, the Budget proposes reforms to improve stewardship of taxpayer dollars by strengthening the Centers for Medicare and Medicaid Services' (CMS) ability to address weaknesses in provider screening, enrollment, and identification, as well as beneficiary eligibility determinations in Medicaid. The Budget strengthens CMS's ability to recover overpayments due to incorrect eligibility determinations in the program. Combined with investments in the Health Care Fraud and Abuse Control program, the Budget provides the resources and tools necessary to combat waste, fraud, and abuse and to promote high-quality and efficient healthcare.

Advances American Kidney Health. The Budget includes proposals consistent with the goals outlined in Executive Order 13879, "Advancing American Kidney Health," to transform how kidney disease is prevented, diagnosed, and treated. The Budget would allow individuals with Medicare-covered kidney transplants to retain lifetime coverage for immunosuppressive drugs, and improve oversight of Organ Procurement Organizations, ensuring that deficiencies do not continue unexamined for an extended period of time. The Budget also encourages more living kidney donors by expanding reimbursement for travel and other donation-related costs.

Improves Access to Rural Healthcare. The Budget includes proposals to address the healthcare needs of rural America. The Budget proposes to expand access to telemedicine services by offering increased flexibility to providers who serve predominantly rural or vulnerable patient populations, including IHS providers and providers participating in Medicare payment models requiring financial risk. The Budget proposes to modify payments to Rural Health Clinics to ensure that Medicare beneficiaries continue to benefit from primary care services in their communities. To address the trend of rural hospital closures, the Budget proposes to allow critical access hospitals to voluntarily convert to rural standalone emergency hospitals and remove the requirement to maintain inpatient beds. In addition, the Budget maintains funding for Rural Health Outreach grants in HRSA.

Strengthens IHS. IHS provides comprehensive clinical and public health services to over 2.6 million American Indians and Alaska Natives in 37 States, but the Agency faces longstanding challenges that affect its ability to effectively provide quality healthcare and oversight. The Administration has taken steps to address these challenges, most notably through the formation of a Presidential Task Force on Protecting Native American Children in the IHS System in March 2019. The Budget supports key reforms, including those that bolster recruitment and retention of quality healthcare professionals and expand telehealth to IHS beneficiaries. The Budget maintains dedicated funding to address accreditation challenges at IHS facilities, and continues the multiyear effort to modernize its aging Electronic Health Record system.

Prioritizes Critical Health Research and Supports Innovation. The Budget provides \$38 billion for innovative research at NIH to improve public health, \$4 billion above the level requested in the 2020 Budget. NIH would continue to address the opioid epidemic and emerging stimulants, make progress on developing a universal flu vaccine, prioritize vector-borne disease research, and support industries of the future. The Budget funds the second year of the Childhood Cancer Data Initiative to further America's understanding of the unique causes of, and the best cures for, childhood cancer.

Advances Vector-Borne Disease Prevention and Control. The threat of mosquito and tick-borne diseases continues to rise in the United States. Cases of tick-borne diseases, such as Lyme disease and Rocky Mountain spotted fever, affected nearly 60,000 Americans in 2017. The Budget includes \$66 million for CDC's vector-borne disease activities, a \$14 million increase compared to the 2020 enacted level which focuses on tick-borne diseases. The Budget also invests in NIH research to improve the Nation's understanding of vector-borne diseases.

Enhances Influenza Vaccines and Health Security. The Budget supports Executive Order 13887, “Modernizing Influenza Vaccines in the United States to Promote National Security and Public Health,” by providing a \$95 million increase, compared to the 2020 enacted level, across HHS for influenza vaccine manufacturing infrastructure and innovation; advanced research and development of improved vaccines, therapeutics, and diagnostics; international pandemic preparedness; improved non-egg-based vaccines; and improved vaccine coverage nationwide. The Budget improves access to non-egg-based influenza vaccines for Medicare beneficiaries by proposing a change in Medicare payment for influenza vaccines. The Budget also funds HHS biodefense and emergency preparedness procurement through the BioShield program and the Strategic National Stockpile, and includes \$175 million to support CDC’s global health security activities, an increase of \$50 million compared to the 2020 enacted level.

Reforms Oversight of Tobacco Products. The Budget proposes to move the Center for Tobacco Products out of the Food and Drug Administration (FDA) and create a new agency within HHS to focus on tobacco regulation. This new agency would be led by a Senate-confirmed Director in order to increase direct accountability and more effectively respond to this critical area of public health concern. A new agency with the singular mission on tobacco and its impact on public health would have greater capacity to respond strategically to the growing complexity of new tobacco products. In addition, this reorganization would allow the FDA Commissioner to focus on its traditional mission of ensuring the safety of the Nation’s food and medical products supply.

Strengthens Work Requirements to Promote Self-Sufficiency. The Budget improves consistency between work requirements in federally funded public assistance programs, including Medicaid and Temporary Assistance for Needy Families (TANF), by requiring that able-bodied, working-age individuals, aged 18-65 years old, find employment or participate in individualized work activities for a minimum of 20 hours per week, in order to receive welfare benefits, unless they fall into an exempt category or have an individual or geographic hardship. This requirement would enhance service coordination for program participants, improve the financial well-being of those receiving assistance, and ensure federally funded public assistance programs are reserved for the most vulnerable populations.

“At the heart of our reforms is democratizing choice and control—by giving it to parents. We are focused on improving the quality of care; expanding affordable options that meet the needs of each family; and removing regulatory barriers that make it difficult to start in-home or faith-based child education services.”

Ivanka Trump
Advisor to the President
December 12, 2019

Supports Children and Families in Achieving Their Potential. The Budget proposes a \$1 billion one-time investment for States to build the supply of care and stimulate employer investment in child care, and funds child care and early learning to help families access and afford the care they need. The Budget maintains funding for Head Start and the Child Care and Development Block Grant at HHS. The Budget also supports States in serving families and children in the child welfare system by increasing State flexibilities, reducing administrative burdens, and investing in evidence-based resources. In addition, the Budget promotes evidence building and innovation to strengthen America’s safety net, proposes improvements to the TANF program, and supports efforts to get noncustodial parents to work. Together, these proposals reflect the Administration’s commitment to help low-income

families end dependency on government benefits and promote the principle that gainful employment is the best pathway to financial self-sufficiency and family well-being.

Addresses the Humanitarian Needs of Unaccompanied Alien Children. The Budget includes \$2.0 billion in discretionary funding and a \$2.0 billion mandatory contingency fund to ensure that HHS is able to provide high-quality services to all unaccompanied alien children referred to its care and that HHS has the capacity to manage the inherent uncertainty in this program.